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BEFORE THE ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION
DOCKET CONTROL

COMMISSIONERS

JEFF HATCH-MILLER, Chairman
WILLIAM A. MUNDELL
MIKE GLEASON
KRISTIN K. MAYES
BARRY WONG

IN THE MATTER OF:

DOCKET NO. S-20484A-06-0669

AGRA-TECHNOLOGIES, INC. (a/k/a ATI),
a Nevada corporation,
5800 North Dodge Avenue, Bldg. A
Flagstaff, Arizona 86004-2963;

WILLIAM JAY PIERSON (a/k/a BILL PIERSON)
and SANDRA LEE PIERSON (a/k/a SANDY
PIERSON), husband and wife,
6710 Lynx Lane
Flagstaff, Arizona 86004-1404;

RICHARD ALLEN CAMPBELL (a/k/a DICK
CAMPBELL), and SONDR A JANE CAMPBELL,
husband and wife,
8686 West Morten Avenue
Glendale, Arizona 85305-3940;

WILLIAM H BAKER, JR. (a/k/a BILL BAKER),
and PATRICIA M. BAKER, husband and wife,
3027 N. Alta Vista
Flagstaff, Arizona 86004;

JERRY J. HODGES,
and JANE DOE HODGES,
husband and wife,
1858 Gunlock Court
Saint George, Utah 84790-6705;

LAWRENCE KEVIN PAILLE (a/k/a LARRY
PAILLE), and JANE DOE PAILLE,
husband and wife,
220 Pinon Woods Drive
Sedona, Arizona 86351-6902

Respondents.

Arizona Corporation Commission
DOCKETED

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EIGHTH
PROCEDURAL ORDER

BY THE COMMISSION:

On October 18, 2006, the Securities Division ("Division") of the Arizona Corporation
Commission ("Commission") filed a Temporary Order to Cease and Desist ("T.O.") and Notice of

1 Opportunity of Hearing ("Notice") against Agra-Technologies, Inc. ("ATI"), William Jay and Sandra
2 Lee Pierson, husband and wife, Richard Allen and Sondra Jane Campbell, husband and wife, William
3 H. and Patricia M. Baker, husband and wife, Jerry J. and Jane Doe Hodges, husband and wife, and
4 Lawrence K. and Jane Doe Paille, husband and wife, (collectively "Respondents"), in which the
5 Division alleged multiple violations of the Arizona Securities Act ("Act") in connection with the
6 offer and sale of stock and investment contracts.

7 Respondents were duly served with copies of the Notice.

8 On November 3, 2006, AGI, William Jay and Sandra Lee Pierson and William H. and Patricia
9 M. Baker filed a request for a hearing.

10 On November 8, 2006, Jerry J. and Jane Doe Hodges and Lawrence K. and Jane Doe Paille
11 filed a request for a hearing.

12 On November 20, 2006, by Procedural Order, a pre-hearing conference was scheduled for
13 December 20, 2006.

14 On November 27, 2006, Richard A. and Sondra J. Campbell filed a request for hearing.

15 On December 20, 2006, the Division and Respondents appeared with counsel. The parties
16 discussed a possible resolution of the issues and certain concerns with respect to discovery. The
17 parties agreed to another pre-hearing conference being scheduled in late January. By Procedural
18 Order, another pre-hearing conference was scheduled for January 29, 1007.

19 On January 24, 2007, the AIT, Pierson and Baker Respondents filed a Motion to Set
20 Evidentiary Hearing.

21 On January 25, 2007, the Division filed what was captioned, "Securities Division's Motion
22 For Ruling on Allegedly Inadvertently Produced Privileged Documents by Respondents ATI, Baker
23 and Pierson" which their counsel earlier had argued were privileged.

24 On January 29, 2007, the Division and Respondents appeared through counsel. The parties
25 were continuing to resolve certain issues in the proceeding to reach a possible settlement. However,
26 the Division's counsel indicated that, if a hearing is required, it may require approximately two weeks
27 of hearing time and more time needed for discovery. The pre-hearing conference was recessed
28 pending ruling on motions which had been filed or were to be filed by the Division and the ATI,

1 Pierson and Baker Respondents.

2 On February 6, 2007, the Division filed its response to the ATI, Pierson and Baker
3 Respondents' Motion to Set Evidentiary Hearing citing numerous cases and discussing the
4 application of A.A.C. R14-4-307.

5 On February 20, 2007, the ATI, Pierson and Baker Respondents filed their response to the
6 Division's Motion filed on January 25, 2007, and also filed a reply to the Division's response to the
7 ATI, Pierson and Baker Motion to set a hearing.

8 On March 7, 2007, the Division filed its reply to the ATI, Pierson and Baker response. The
9 Division also cited numerous cases in support of its arguments with respect to the documents
10 discussed in its January 25, 2007 Motion.

11 On April 3, 2007, by Procedural Order, the Division's Motion filed on January 25, 2007, was
12 granted and the Motion of ATI, the Baker and Pierson Respondents denied. Further, a status
13 conference was scheduled on May 17, 2007.

14 On May 17, 2007, the Division and Respondents appeared through counsel at the status
15 conference where their respective positions were discussed and they further agreed that a hearing
16 should be scheduled to commence on October 15, 2007.

17 On May 23, 2007, by Procedural Order, a hearing was scheduled to commence on October 15,
18 2007, and copies of Witness Lists and Exhibits were ordered to be exchanged.

19 On June 12, 2007, the Division filed what was captioned the First Amended T.O. and Notice.

20 On July 2 and July 12, 2007, the ATI, Pierson and Baker Respondents filed a request for
21 hearing and Answer, respectively, to the First Amended T.O. and Notice. There have been no filings
22 by the remaining Respondents.

23 On July 19, 2007, by Procedural Order, the parties were informed that the proceeding would
24 go forward on October 15, 2007 as ordered in the Commission's Procedural Order of May 23, 2007.

25 On July 26, 2007, the presiding Administrative Law Judge became aware of a scheduling
26 conflict on November 8, 2007, a date reserved for this proceeding. Accordingly, November 8, 2007
27 should be stricken as a hearing date in this proceeding.

28 Only July 27, 2007, by Procedural Order, the hearing date of November 8, 2007, was vacated.

1 On August 13, 2007, the Commission issued Decision No. 69774, which approved a Consent
2 Order with the Campbell Respondents.

3 On August 20, 2007, an Application to Intervene ("Application") was filed on behalf of 13
4 investors in the offering of ATI. The Application represents that these investors hold a substantial
5 number of "ore contracts purchased from ATI" and that they will be directly and substantially
6 affected by the proceedings before the Commission, and that their intervention will not unduly
7 broaden the issues presented to the Commission. It was also requested that the Commission issue an
8 expedited ruling in this matter.

9 On August 24, 2007, the Division filed a response to the Application and requested that it be
10 denied. The Division states that the Commission does not have jurisdiction to adjudicate individual
11 and private rights of the investors attempting to intervene in the Commission's regulatory action.
12 The Division further states that the investors could bring a private right of action for violations of the
13 Act in a court of competent jurisdiction in which all of the rights, duties and obligations between the
14 Respondents and the investors could be resolved. The Division further cites case law that a non-party
15 is not bound by a judgment in an action to which it is not a party. Lastly, the Division cites the
16 Commission's Rules of Practice and Procedure at A.A.C. R14-3-105(C) which provides a consumer
17 or prospective consumer a right to appear at any proceeding and make a statement on his own behalf,
18 at a time designated by the Commission or presiding officer.

19 On August 27, 2007, a reply was filed by the investors to the response which had been filed
20 by the Division. Therein, counsel for the investors argues that none of these investors have been
21 asked to be a witness in the proceeding and none have been contacted by the Division and that their
22 position would not be addressed in the Commission's regulatory proceeding under the Act.

23 On September 6, 2007, the ATI, Pierson and Baker Respondents filed what was captioned
24 "Motion to Continue Evidentiary Hearing for 30 Days or Until Pending Motions Can Be Resolved"
25 ("ATI Continuance Motion"). Although the ATI Continuance Motion will not be addressed in this
26 Procedural Order, it indicates that neither ATI, the Piersons nor the Bakers have any objections to the
27 granting of intervention.

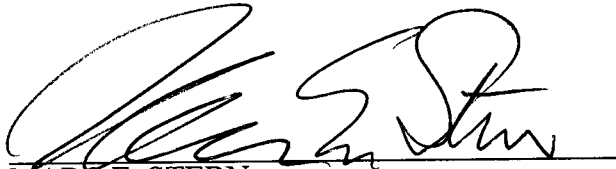
28 On September 6, 2007, the Commission issued Decision No. 69899, which approved a

1 Consent Order with Respondents Hodges and Paille.

2 After reviewing the arguments presented by the investors requesting intervention and the
3 Division, it is concluded that the Commission is responsible for the enforcement of the Act when
4 violations of the registration requirements and the anti-fraud provisions are alleged as is the case in
5 this, a disciplinary proceeding. Further, the Commission is empowered to impose administrative
6 penalties and to order restitution and/or rescission as the evidence dictates. The proper venue for an
7 action as envisioned by the investors is a court of competent jurisdiction, but not in an administrative
8 proceeding such as this and, therefore, while intervention should be denied, the ATI, Pierson and
9 Baker Respondents are not prohibited from calling investors as witnesses.

10 IT IS THEREFORE ORDERED that the Application to Intervene filed by investors in the
11 offering by Agra-Technologies, Inc., et al. is hereby denied.

12 Dated this 7th day of September, 2007.

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16 MARC E. STERN
ADMINISTRATIVE LAW JUDGE

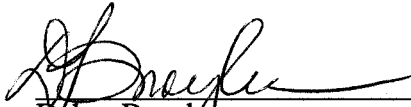
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1 Copies of the foregoing mailed/delivered
2 this 7th day of September, 2007.

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21
22 By: 
23 Debra Broyles
24 Secretary to Marc E. Stern
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